

Cleveland, OH- Ohio ranked fourth in foreclosures last year and the trend isn't slowing. That unfortunate ranking and the disastrous fallout to communities and families that comes with high numbers of foreclosures prompted Congressman Charlie Wilson (OH-6) and several other Members of the Ohio Delegation to hold a Congressional field hearing in Ohio today.

The Financial Services Housing and Community Opportunity Subcommittee conducted the hearing that featured two panel discussions on the various issues facing the housing community in Ohio and possible solutions to those problems. More than 100 attended the public event where Representatives Wilson, Dennis Kucinich (OH-10), Marcy Kaptur (OH-9), Betty Sutton (OH-13) and Stephanie Tubbs-Jones (OH-11) questioned state and local officials, housing experts and mortgage providers. Congresswoman Maxine Waters (D-CA), Chairwoman of the House Financial Services Housing and Community Opportunity Subcommittee led the hearing.

"As the Financial Services Committee continues work on this crisis it is important to look at our state," Wilson said in his opening statement. "Ohio sadly became one of the nation's worst home-loan default zones last year with an 88-percent spike in foreclosure proceeding filings over 2006."

During the panel discussions, Matthew Stefanak, Mahoning County Health Commissioner, testified that the high numbers of foreclosures have challenged his ability to enforce basic sanitary housing standards. He talked of increased trash on vacant properties. That trash leads to increased rodents and mosquitoes, which breed disease. He said leaky roofs often lead to mold growth, which renders homes uninhabitable.

"In many cases we work successfully with the owner to remediate the conditions that gave rise to the complaint before the home is too far gone, but increasingly, we are unable to resolve the problem because the property is now owned by an out-of-state bank or mortgage company that doesn't acknowledge or respond to our property nuisance abatement orders," Stefanak testified.

Stefanak reported that in his health district there are 122 blighted properties whose owners have failed to respond to demolition or abatement orders. "Not one of our 14 townships and nine municipalities is now without a blighted property," Stefanak said.

Stefanak testified that without federal assistance, townships and municipalities like his don't have the resources to deal with blighted properties. He praised legislation put forth by Congressmen Charlie Wilson and Tim Ryan (OH-17) that would funnel federal funds toward the demolition of abandoned homes in blighted areas.

"I strongly support Reps. Wilson's and Ryan's legislation as a means to provide our communities a helping hand in their war on blight."

Other panel participants included:

- Mr. Lloyd Ingram, Director, Philadelphia Homeownership Center, U.S. Department of Housing and Urban Development
- Ms. Kim Zurz, Director, Department of Commerce, State of Ohio
- Mr. Chris Warren, Chief of Regional Development, Office of the Mayor of Cleveland, Ohio
  
- Mr. Antony Brancatelli, Councilman, City of Cleveland
- Ms. Tina Sheldon Wozniak, President, Lucas County Commissioners
- Ms. Patricia Kidd, Executive Director, Lake County Fair Housing Resource Center
- Mr. Andrew S. Howell, Executive Vice President and Chief Operations Officer, Federal Home Loan Bank of Cincinnati
- Mr. Michael Van Buskirk, President and CEO, Ohio Bankers League
- Mr. Michael Drawdy, Senior Vice President, Home Retention Division, Countrywide
- Ms. Kimberley Guelker, President, Lorain County Association of Realtors
- Mr. Lou Tisler, Neighborhood Housing Services of Greater Cleveland
- Mr. Edward G. Kramer, Director and Chief Counsel, The Housing Advocates
- Mr. Frank Ford, Senior Vice President for Research and Development, Neighborhood Progress, Inc.

In his opening statement Wilson recognized that Ohio is on the cutting edge in dealing with the foreclosure crisis. He praised Governor Strickland's work on the issue.

"Recently, Governor Strickland and Ohio's Director of Commerce, Kim Zurz, announced that nine mortgage loan servicers agreed to sign the 'Compact to Help Ohioans Preserve Homeownership.' It's the first agreement of its kind in the nation," Wilson said. "The document is a pledge by servicers that they will work with the state in making every possible attempt to prevent default loans and foreclosures in Ohio."

Still, Wilson acknowledged that more must be done. "Many years ago, when I was on a bank board, you loaned to those who would be able to pay back the loan. You kept an eye on those in trouble and you reached out when it looked like they needed help. I believe that many in Ohio have kept to those standards-but I also believe that many need to go back to them," Wilson said.

As the hearing continued, simultaneous workout sessions took place so that mortgage providers could answer questions from the public about loan modification and other foreclosure prevention methods. In addition, housing counselors assisted borrowers and provided information about mortgages. Participants included: Washington Mutual, Countrywide, National City, Freddie Mac, Litton Loan Service, Neighborhood Housing Services of Greater Cleveland, Community Housing Solutions, The Housing Advocates, Legal Aid Society of Cleveland, and Acorn.

"There are many hard working families in Ohio who ended up with bad mortgages, and I want them to know that Congress can help," Wilson said. "Members of Congress and their staffs may not be able to fix your loan, but we can put you in touch with people who can assist in facilitating dialogue between you and your mortgage company. I'm glad we had workout sessions in Cleveland, but I don't want anyone who couldn't attend today to feel left out."

Nationally, the number of seriously delinquent loans and new foreclosures in January and February of this year was over 2.1 million, an increase of 8-percent over the previous quarter and a 55-percent increase from a year earlier.

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